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9 NOVEMBER 1955

ARAB-ISRAELI SITUATION

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Frontier--No significant hostilities on Israel's borders since the flareup on 2-3 November at El Auja.

A. De-facto cease-fire was broken by clash between small Egyptian and Israeli forces on 8 November near Eilat, Israel's port on the Gulf of Aqaba. This incident is the first fighting since 1949 in this area.

1. It recalls implied threat by Nasr early this year, when he said Egypt would strike back at Israel elsewhere than the Gaza strip.
2. Also recalls Ben Gurion's repeated assertions that Israel must clear the Egyptian blockade of Eilat, by force if necessary.

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- B. Egypt still seems unready to retaliate on a large scale for Israeli raids. Israel has apparently halted its transport mobilization.
- C. Immediate crisis appears to have passed. Both sides continue to make bellicose propaganda.

II. Egyptian-Soviet Bloc Arms Deal--

- A. Egypt apparently completed its major and most urgent contracts with the bloc by 2 November, and is now negotiating on "supplementary" items. These negotiations now include Poland.

- B.  some Egyptian army officers <sup>not</sup> now completely happy with Soviet equipment, finding it a mixture of old and new. Some suspicion of Soviet good faith allegedly has been aroused.

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[REDACTED]  
[REDACTED] Egypt is not slackening its purchases of small arms there, and is even continuing to try to get some heavier equipment, such as tanks and marine diesel engines.

Israeli efforts to get arms--Israel's cabinet decision made on 23 October to purchase \$50 million in arms has resulted not only in increased pressure on the US to supply equipment but also in extensive

Israeli arms procurement efforts in Europe.

France will probably supply 15 Mystere jet fighters in the near future.

In Italy Israel has begun negotiations for large quantities of arms including 40 F-51 aircraft, 50 Sherman tanks, 20 self-propelled M-7 guns, 500 jeeps and command cars as well as large

quantities of bazookas and machine guns

ammunition

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C. Inside Israel the drive to collect funds for arms continues to meet with enthusiastic success.

1. The government, aiming at the equivalent of \$12.5 million by the close of 1955 reportedly has already collected about \$4 million.

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